Message Text

PAGE 01 MANAGU 04212 01 OF 02 242316Z

70

ACTION SS-30

INFO OCT-01 ISO-00 /031 W

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R 242100Z OCT 73

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 2733

AMEMBASSY GUATEMALA

AMEMBASSY PANAMA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

CINCSOUTH

S E C R E T SECTION 1 OF 2 MANAGUA 4212

EXDIS

E. O. 11652: GDS TAGS: PFOR HO NU

SUBJ: GENERAL SOMOZA'S DISCUSSION WITH GENERAL LOPEZ OF

HONDURAS

1. GENERAL ANASTASIO SOMOZA MET ON SATURDAY, OCTOBER 20, WITH HONDURAN CHIEF OF STATE, GENERAL OSWALDO LOPEZ, AT A LOCATION NEAR THE HONDURAN-NICARAGUAN BORDER. DURING AN EXTENDED DISCUSSION WITH THE AMBASSADOR ON OCTOBER 22, GENERAL SOMOZA SUMMARIZED HIS DISCUSSIONS WITH GENERAL LOPEZ AND GAVE HIS IMPRESSIONS. GENERAL SOMOZA SAID THAT LOPEZ STATED THAT HE RECOGNIZED THAT HE WAS "ON EXTREMELY WEAK GROUND" IN HIS PRESENT MANNER OF RULING HONDURAS. LOPEZ SAID THAT HE WAS AWARE THAT HE "COULD BE TOPPLED AT ANY MOMENT BY ANY STRONGLY MOTIVATED CLIQUE WITHIN THE HONDURAN ARMY". THESE STATEMENTS APPARENTLY RESULTED FROM A GENERAL DISCUSSION BY GENERAL SOMOZA AND LOPEZ OF THE FAILURE OF LOPEZ TO HAVE ANY POLITICAL BACKING AND SOMOZA'S VERY STRONG FEELING THAT IT IS IMPOSSIBLE TO RULE SUCCESSFULLY BASED EXCLUSIVELY ON MILITARY POWER.

2. GENERAL SOMOZA ASKED LOPEZ WHAT THE LATTER'S POSITION WAS VIS-A-VIS ZUNIGA AND LOPEZ REPLIED THAT WHILE HE CONSIDERED SECRET

PAGE 02 MANAGU 04212 01 OF 02 242316Z

ZUNIGA "A PERSONAL FRIEND", HE DID NOT CONSIDER HIM A "RELIABLE POLITICAL ALLY" AND THAT HE FELT THAT ZUNIGA HAD BEEN IDENTIFIED SO CLOSELY WITH CORRUPTION IN HONDURAS THAT HE WAS NO LONGER ACCEPTABLE TO THE HONDURAN PEOPLE AS A POLITICAL FORCE.

AFTER CONSIDERABLE DISCUSSION OF THE GENERAL SUBJECT OF BROADENING HIS BASE OF POLITICAL POWER, SOMOZA SAID THAT LOPEZ STATED THAT HE WOULD IMMEDIATELY BEGIN TO "ALIGN HIMSELF WITH THE NATIONALIST PARTY", AND THAT HE WOULD "FIND A MEANS OF RIDDING HIMSELF OF ZUNIGA" AND WOULD "PURGE" THE NATIONALIST PARTY AND BUILD THE PARTY INTO A VIABLE POLITICAL FORCE. SOMOZA SAID THAT LOPEZ REPEATEDLY INDICATED HIS (LOPEZ'S) AWARENESS OF THE DELICACY, OF HIS POLITICAL POSITION, AND RECOGNIZED THAT HE MUST TAKE MEASURES TO STRENGTHEN HIS SITUATION IMMEDIATELY. LOPEZ CONTINUED BY SAYING THAT ONCE HE GETS THE NATIONALIST PARTY ORGANIZED AND STABILIZED, HE WILL CALL FOR A MEETING OF A CONSTITUENT ASSEMBLY AND HAVE HIMSELF LEGALLY ELECTED PRESIDENT AND THUS "LEGALIZE" HIS ENTIRE GOVERNMENT.

3. SOMOZA ASKED LOPEZ WHY THE RUSSIAN AMBASSADOR ASSIGNED TO COSTA RICA HAD VISITED HONDURAS, LOPEZ SAID THAT THE RUSSIAN AMBASSADOR HAD BEEN INVITED TO HONDURAS BY THE HONDURAN AMBAS-SADOR TO COSTA RICA, WHO HAD COME TO KNOW THR RUSSIAN AMBASSA-DOR IN SAN JOSE AND THAT HE (LOPEZ) HAD NOT MET THE RUSSIAN AMBASSADOR DURING HIS VISIT TO HONDURAS. HE SAID THAT THE VISIT WAS ENTIRELY PERSONAL AND HAD ABSOLUTELY NO SIGNIFICANCE WHATEVER IN CONNECTION WITH ANY POSSIBILITY THAT A SOVIET EMBASSY WOULD BE INSTALLED IN TEGUCIGALPA. SOMOZA SAID THAT HE PRESSED LOPEZ ON THIS LATTER SUBJECT VERY HARD, EMPHASIZING TO HIM THAT THEY HAD BEEN FRIENDS FOR MANY, MANY YEARS BUT THAT HE (SOMOZA) DID NOT INTEND TO BE THE "MEAT BETWEEN THE SANDWICH" WITH A RUSSIAN EMBASSY IN COSTA RICA AND ONE IN HONDURAS. SOMOZA SAID THAT LOPEZ GAVE HIM HIS ABSOLUTE WORD AND TOTAL ASSURANCE THAT SO LONG AS HE (LOPEZ) WAS IN POWER IN HONDURAS, NO RUSSIAN EMBASSY WOULD BE ALLOWED TO BE ESTABLISHED. SOMOZA THEN PRESSED LOPEZ ABOUT THE TWO RUSSIANS WHO HAD VISITED HONDURAS AND AT LEAST ONE OF WHICH HAD ACCOMPANIED THE SOVIET AMBASSADOR BACK TO COSTA RICA, LOPEZ SAID THAT TWO LABOR LEADERS FROM HONDURAS HAD VISITED THE SOVIET UNION AND HAD EXTENDED AN INVITATION WITHOUT HIS KNOWLEDGE TO THESE RUSSIAN "LABOR LEADERS" ON IN EFFECT A "COURTESY" EXCHANGE BASIS. SOMOZA SAID THAT HE WAS CONCERNED ABOUT THE PRESENCE OF THESE SO-CALLED LABOR SECRET

PAGE 03 MANAGU 04212 01 OF 02 242316Z

LEADERS FROM THE SOVIET UNION SINCE HE KNEW SOMETHING OF THEIR BACKGROUND AND THEIR NEFARIOUS ACTIVITIES IN THE PAST IN CONNECTION WITH STIRRING UP DIFFICULTIES WHERE EVER THEY HAD BEEN. SOMOZA SAID THAT LOPEZ WAS EXTREMELY INTERESTED IN THIS COMMENT BY HIM AND ASSURED HIM THAT HE WOULD EXERCISE GREATER CARE IN THE FUTURE ON WHAT RUSSIAN VISITORS WERE ALLOWED INTO HONDURAS.

4. SOMOZA SAID THAT LOPEZ HAD STATED THAT HIS SOLE REASON FOR PURCHASING SUGAR FROM CUBA WAS THE FACT THAT HE WAS ABLE TO GET SUGAR FROM THEM CHEAPER. SOMOZA SAID THAT HE TOLD LOPEZ THAT HE DID NOT CONSIDER THAT THAT WAS A VALID EXPLANATION AND THAT HE WANTED HIM TO CLEARLY UNDERSTAND THAT HE HAD TELEPHONED HIM SEVEN TIMES EMPHASIZING THE IMPORTANCE HE ATTACHED TO LOPEZ

NOT REPEAT NOT PURCHASING THIS SUGAR FROM CUBA, AND THAT HE FELT THAT IT HAD BEEN A VERY SERIOUS MISTAKE. SOMOZA EMPHASIZED TO LOPEZ THAT THE LATTER SHOULD GET HIS SUGAR GROWERS "UNDER CONTROL" TO PREVENT THEM FROM OVER-SELLING THEIR SUGAR SUPPLIES AND LEAVING HONDURAS IN DANGEROUSLY SHORT SUPPLY. SOMOZA SAID THAT LOPEZ SAID THAT HE WOULD LOOK INTO THIS IMMEDIATELY.

5. FYI: AS AN ASIDE, SOMOZA SAID THAT IT WAS NOT INCONCEIVABLE TO HIM THAT DESPITE LOPEZ'S EXPLANATION, THAT THERE HAD BEEN SOME PERSONAL FINANCIAL ADVANTAGE TO LOPEZ IN THIS SUGAR TRANSACTION BUT THAT HE WAS HOPEFUL THAT HE HAD CONVINCED LOPEZ THAT SUCH PURCHASES MUST NOT BE REPEATED. END FYI.

6. DURING THE COURSE OF THE DISCUSSION LOPEZ TOLD SOMOZA THAT HE HAD STOPPED PEOPLE FROM TAKING OVER UNOCCUPIED LAND WHICH BELONGED TO OTHER PEOPLE AND THAT HE WAS INTRODUCING A CASTARAL PROGRAM TO SURVEY LAND OWNERSHIP IN HONDURAS AND THAT IT WAS HIS BELIEF THAT A CONSIDERABLE AMOUNT OF EXCESS LAND EXISTED WHICH WAS CLAIMED BY INDIVIDUALS WHO DID NOT ACTUALLY OWN IT. WHEN THIS WAS ESTABLISHED, THIS EXCESS LAND WOULD BE DISTRIBUTED TO THE POOR ON AN EQUITABLE BASIS.

SECRET

PAGE 01 MANAGU 04212 02 OF 02 242322Z

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R 242100Z OCT 73 FM AMEMBASSY MANAGUA TO SECSTATE WASHDC 2734 AMEMBASSY GUATEMALA AMEMBASSY PANAMA AMEMBASSY SAN JOSE AMEMBASSY SAN SALVADOR AMEMBASSY TEGUCIGALPA

S E C R E T SECTION 2 OF 2 MANAGUA 4212

EXDIS

CINCSOUTH

7. SOMOZA SAID THAT LOPEZ STATED THAT HIS RECENT MEETING WITH ARNA AND MOLINA HAD "PRODUCED NOTHING". THE THREE OF THEM HAD "HAD A FEW DRINKS, INTERESTING CONVERSATION, BUT HAD MADE NO PROGRESS WHATEVER IN SETTLING THE BORDER DISPUTE". LOPEZ ASCRIBED THE FAILURE OF THIS MEETING, ACCORDING TO SOMOZA, TO THE INABILITY OF THE TECHNICIANS MEETING IN MEXICO TO MAKE ANY SIGNIFICANT PROGRESS. LOPEZ TOLD SOMOZA THAT ARANA WAS VERY

"BITTER" OVER THE FACT THAT THE SALVADORAN AND HONDURAN TECHNICIANS WERE MEETING IN MEXICO, RATHER THAN IN GUATEMALA.

LOPEZ APPARENTLY SAID HE INDICATED TO ARANA THAT HIS REPRESENTATIVES WOULD MEET WHERE THEY CHOSE AND WOULD NOT BE INFLUENCED BY OUTSIDE PARTIES.

8. TURNING TO COMMERCIAL AND BUSINESS MATTERS, LOPEZ SAID THAT HE WANTED TO GO INTO PARTNERSHIP WITH SOMOZA IN THE BUILDING OF A SLAUGHTER HOUSE IN HONDURAS AND SOMOZA INDICATED HIS WILLINGNESS TO GO INTO PARTNERSHIP WITH HIM. SOMOZA INDICATED THAT SUCH AN ARRANGEMENT WILL BE WORKED OUT.

9. LOPEZ ALSO ASSURED SOMOZA THAT LANDING RIGHTS FOR LANICA AIR LINES IN SAN PEDRO SULU WERE HIS FOR THE ASKING. (WITHOUT THE NECESSITY OF A TIE-IN WITH TAN.)
SECRET

PAGE 02 MANAGU 04212 02 OF 02 242322Z

10. LOPEZ ALSO DISCUSSED THE POSSIBILITY OF SOMOZA PUTTING A BRANCH OF THE SOMOZA OWNED BANCO DE CENTROAMERICANA IN HONDURAS.

11. ARRANGEMENTS WERE ALSO MADE BETWEEN SOMOZA AND LOPEZ FOR NICARAGUA TO PURCHASE CORN AND BEANS AT A REASONABLE PRICE TO REPLENISH THE SUPPLIES AVAILABLE TO NICARAGUA WHICH ARE SHORT AS A RESULT OF LAST YEAR'S DROUGHT AND HOPEFULLY WILL MAKE IT POSSIBLE TO BRING THE COST OF THESE BASIC ITEMS DOWN SOMEWHAT.

12. LOPEZ TOLD SOMOZA THAT HE HAD RECEIVED AN INVITATION FROM GENERAL TORRIJOS OF PANAMA THROUGH PRESIDENT LAKAS TO MAKE AN OFFICIAL VISIT TO PANAMA. LOPEZ SAID THAT HE INTENDED TO ACCEPT THIS INVITATION AND ASKED SOMOZA FOR COMMENTS REGARDING TORRIJOS. SOMOZA GAVE LOPEZ SOME OF THE BACKGROUND OF WHICH HE WAS AWARE REGARDING TORRIJOS AND EMPHASIZED THAT HE FELT THAT LOPEZ COULD SERVE A USEFUL PURPOSE FOR CENTRAL AMERICA IF HE WOULD EMPHASIZE TO TORRIJOS THAT IN HIS DEALINGS WITH THE UNITED STATES ON THE PANAMA CANAL ISSUE THAT HE SOULD BE EXTREMELY CAUTIOUS NOT TO MAKE THREATS AND UNREASONABLE DEMANDS WHICH THE UNITED STATES OBVIOUSLY COULD NOT MEET.

13. SOMOZA DESCRIBED THE MEETING WITH LOPEZ AS EXTREMELY CORDIAL AND ASSESSED IT AS VERY HELPFUL. SOMOZA SAID THAT LOPEZ ASKED THAT THE TWO OF THEM MEET ON A REGULAR BASIS SO THAT THEY COULD EXCHANGE VIEWS ABOUT THE PROBLEMS EXISTING IN THE AREA. SHELTON

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To: STATE **GUATEMALA PANAMA** SAN JOSE SAN SALVADOR TEGUCIGALPA **CINCSOUTH**

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